

Message Text

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ORIGIN ARA-10

INFO OCT-01 ISO-00 SSO-00 NSCE-00 USIE-00 INRE-00 CIAE-00

DODE-00 PM-03 H-01 INR-05 L-01 NSAE-00 NSC-05 PA-01

RSC-01 PRS-01 SP-02 SS-15 EB-04 COME-00 TRSE-00 OMB-01

XMB-02 AID-05 CIEP-01 STR-01 /060 R

DRAFTED BY ARA:CAR:JRBURKE:JR

APPROVED BY ARA:CAR:JRBURKE

EB:IFD:OIA:DHSTEBBING(SUBSTANCE)

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FM SECSTATE WASHDC

TO AMEMBASSY SANTO DOMINGO IMMEDIATE

C O N F I D E N T I A L STATE 244710

E.O. 11652: GDS

TAGS: EMIN, EFIN, EIND, DR

SUBJECT: ALCOA NEGOTIATIONS WITH GODR

1. FRANK JONES (ALCOA'S WASHINGTON REPRESENTATIVE) CALLED ON DIRECTOR, CARIBBEAN AFFAIRS, NOVEMBER 6 TO DISCUSS LATEST DEVELOPMENTS IN ALCOA'S NEGOTIATION WITH GODR. JONES SAID THAT PRESIDENT BALAGUER HAD NOW UPPED THE ANTE (PRESUMABLY IN NOVEMBER 4 MEETING WITH ALCOA'S DOMINICAN REPRESENTATIVE) AND WAS DEMANDING FROM ALCOA SOMETHING IN EXCESS OF JAMAICAN FORMULA. JONES SAID THAT THERE WOULD BE STRATEGY MEETING IN PITTSBURGH NOVEMBER 8 INVOLVING BOARD CHAIRMAN JOHN HARPER, ALCOA PRESIDENT CROME GEORGE AND PAT HUGHSON (WHO IS BEING RECALLED FROM SANTO DOMINGO FOR MEETING) TO DECIDE WHETHER ALCOA CAN CONTINUE TO OPERATE IN THE DOMINICAN REPUBLIC OR WOULD BE BETTER ADVISED TO PULL OUT. HUGHSON WILL RETURN TO SANTO DOMINGO TO GIVE BALAGUER ALCOA'S RESPONSE TO HIS LATEST PROPOSALS IN AUDIENCE SCHEDULED FOR NOVEMBER 11.

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2. JONES STATED THAT PRINCIPAL REASON FOR HIS CALL WAS

TO EXPRESS ALCOA'S CONCERN THAT GODR MIGHT PUBLICIZE THEIR NEW DEMANDS AND "PAINT THEMSELVES INTO A CORNER" BEFORE ALCOA HAD CHANCE TO WEIGH THEM FULLY AND INSTRUCT HUGHSON. WHEN PRESSED FOR SPECIFICS OF WHAT BALAGUER'S NEW DEMANDS WERE, JONES PROFESSED NOT TO HAVE DETAILS, SAID ONLY THAT THEY AMOUNTED TO MORE THAN THE JAMAICAN FORMULA. DEPTOFF

EXPRESSED SOME SURPRISE AT THIS DEVELOPMENT NOTING THAT PACKAGE ORIGINALLY TABLED BY DOMINICAN BAUXITE COMMISSION WHEN CURRENT NEGOTIATION BEGAN APPEARED TO PARALLEL EXACTLY THE JAMAICAN FORMULA, INCONSISTENT THEREFORE, FOR BALAGUER NOW TO MOVE UP FROM THAT POSITION. HE PROMISED, HOWEVER, TO CONVEY SUBSTANCE OF WHAT JONES HAD TO SAY TO EMBASSY, PARTICULARLY ALCOA'S CONCERN ABOUT POSSIBLE PUBLIC STATEMENT BY GODR WHICH MIGHT FREEZE THE NEGOTIATION.

3. COMMENT: JONES IS ESSENTIALLY A PUBLIC RELATIONS MAN/LOBBYIST AND IN PAST CONVERSATIONS HAD NOT APPEARED WELL INFORMED REGARDING DETAILS OF ALCOA'S VARIOUS NEGOTIATIONS WITH FOREIGN GOVERNMENTS. HE DID SAY, HOWEVER, THAT HE HAD BEEN ON THE PHONE SEVERAL TIMES DURING COURSE OF THE MORNING WITH ALCOA PRESIDENT GEORGE. WHEN ASKED THE DIRECT QUESTION, ONLY POINT HE REALLY WANTED TO CONVEY TO AMBASSADOR WAS ALCOA'S HOPE THAT GODR WOULD REFRAIN FROM MAKING ANY PUBLIC STATEMENT RE THEIR NEW DEMANDS. HE DID REITERATE ALCOA'S GRATITUDE FOR CLOSE PERSONAL ATTENTION AMBASSADOR HAD BEEN PAYING TO THEIR NEGOTIATIONS AND EXCELLENT RAPPORT THAT EXISTED BETWEEN THEIR MAN HUGHSON AND THE EMBASSY. INGERSOLL

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